## Committee on Resources

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Wednesday, March 12, 2003

House Committee on Resources

Full Committee Hearing on H.R. 39

A bill to authorize oil and gas exploration, development and production on the Coastal Plain of the Arctic National Wildlife Refuge (ANWR)

Testimony of Tara Mac Lean Sweeney

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GOOD MORNING. MR.CHAIRMAN, DISTINGUISHED MEMBERS OF THE COMMITTEE, THANK YOU FOR INVITING THE STATE OF ALASKA TO PRESENT TESTIMONY ON H.R.39 TODAY. MY NAME IS TARA MAC LEAN SWEENEY. I AM THE SPECIAL STAFF ASSISTANT TO THE GOVERNOR OF THE STATE OF ALASKA FOR RURAL AFFAIRS AND EDUCATION.

ON BEHALF OF GOVERNOR FRANK MURKOWSKI I WOULD LIKE TO REAFFIRM ALASKA'S SUPPORT FOR RESPONSIBLE DEVELOPMENT OF THE 1.5 MILLION ACRE COASTAL PLAIN AREA LOCATED WITHIN THE 19.6 MILLION ACRE ARCTIC NATIONAL WILDLIFE REFUGE (ANWR). RESPONSIBLE DEVELOPMENT OF ANWR'S COASTAL PLAIN IS CRITICAL TO THE ECONOMIC WELL-BEING OF THE RESIDENTS OF ALASKA AND THE NATIONAL SECURITY OF THE UNITED STATES. IT IS ALSO VERY IMPORTANT TO MY PEOPLE, THE INUPIAT ESKIMOS, WHO LIVE ON THE NORTH SLOPE. OIL DEVELOPMENT IS OUR ONLY ECONOMY. IT PROVIDES OUR JOBS, OUR TAX BASE AND OUR ESSENTIAL PUBLIC SERVICES.

AS YOU DEBATE AND ACT ON THIS IMPORTANT ISSUE IN THE SESSION AHEAD, I URGE YOU TO CONSIDER THE IMPACT YOUR DECISIONS WILL HAVE ON THE RESIDENTS OF ALASKA, THE CITIZENS OF THIS GREAT COUNTRY AND THE INUPIAT PEOPLE OF THE NORTH SLOPE.

ALASKA CRUDE OIL PRODUCTION IS VERY IMPORTANT TO THE NATION:

· THE PRUDHOE BAY FIELD WAS ORGINALLY ESTIMATED TO CONTAIN ROUGHLY 9 BILLION BARRELS OF RECOVERABLE OIL; BUT AFTER 30 YEARS OF ADVANCEMENT IN TECHNOLOGY, A TOTAL OF 13 BILLION BARRELS OF OIL HAS ALREADY BEEN PRODUCED. (ALYESKA PIPELINE SERVICE COMPANY)

· RESPONSIBLE DEVELOPMENT OF THE COASTAL PLAIN COULD PRODUCE BETWEEN 5.7 BILLION BARRELS TO 16 BILLION BARRELS OF NEW OIL. (USGS ASSESSMENT, 1998)

- · OVER THE YEARS, ALASKA HAS PRODUCED AND SAFELY TRANSPORATED OVER 13 BILLION BARRELS OF OIL FROM THE NORTH SLOPE OIL FIELDS TO U.S. CONSUMERS. (ARGONNE NATIONAL LABORATORY, 2002 TAPS ROW EIS)
- · EVERY DAY, THE MOST POPULATED STATE IN THE NATION, CALIFORNIA, CONSUMES ABOUT 1.8 MILLION BARRELS OF OIL, WHILE PRODUCING ABOUT 890,000 BARRELS OF OIL. THIS IS A PRODUCTION-TO-CONSUMPTION DEFICIT OF ALMOST ONE MILLION BARRELS PER DAY, OF WHICH OVER HALF ARE IMPORTED FROM FOREIGN COUNTRIES. (CALIFORNIA ENERGY COMMISSION AND THE ENERGY INFORMATION ADMINISTRATION)
- · ONE MILLION BARRELS IS THE AMOUNT OF SPARE CAPACITY IN THE TRANS-ALASKA PIPELINE, WHICH CAN BE FILLED BY OIL PRODUCED FROM ANWR. (ALYESKA PIPELINE SERVICE COMPANY)
- · IN OTHER WORDS, CALIFORNIA MIGHT NOT HAVE TO IMPORT ANY FOREIGN OIL IF CONGRESS OPENED THE COASTAL PLAIN OF ANWR.
- · ALASKA OPERATES THE CLEANEST OIL FIELDS IN THE WORLD, UNDER THE MOST STRINGENT ENVIRONMENTAL STANDARDS.
- · IMPROVED TECHNOLOGY (DIRECTIONAL DRILLING, REINJECTING WASTES, ICE ROADS, ICE DRILLING PADS, AND 3-D SEISMIC, ETC.) ENABLES DEVELOPMENT TO OCCUR WITH GREATLY INCREASED PRODUCTION AND MINIMAL IMPACT ON THE ENVIRONMENT, LAND AND WILDLIFE. FOR EXAMPLE, WHEN THE TRANS-ALASKA PIPELINE WAS CONSTRUCTED IN THE MID 1970'S, THERE WERE ABOUT 3,000 CARIBOU IN THE CENTRAL ARCTIC HERD, WHICH UTILIZES THE PRUDHOE BAY OIL FIELDS FOR CALVING. THE LATEST CENSUS OF CARIBOU CARRIED OUT BY STATE BIOLOGISTS INDICATES THE POPULATION HAS GROWN TO 32,000 CARIBOU UP FROM 27,000 THE LAST TIME CONGRESS DEBATED ANWR. AS THE CARIBOU POPULATION INCREASED, PRUDHOE BAY SUPPLIED OVER 13 BILLION BARRELS OF OIL FOR AMERICAN CONSUMERS.
- · THE HIGHLY-RESPECTED ARGONNE NATIONAL LABORATORY RECENTLY COMPLETED A \$40 MILLION ENVIRONMENTAL IMPACT STATEMENT FOR THE INTERIOR DEPARTMENT IN SUPPORT OF THE RECENT RENEWAL OF THE RIGHT-OF-WAY FOR THE TRANS-ALASKA PIPELINE. THE EIS EXAMINED THE PAST, PRESENT, AND FUTURE EFFECTS OF NORTH SLOPE OIL DEVELOPMENT ON WILDLIFE AND HABITAT.
- · THERE WERE MANY FINDINGS REGARDING THE IMPACTS OF ALASKA NORTH SLOPE OIL DEVELOPMENT WHICH CAN BE SUMMED UP IN THIS QUOTE FOUND IN THE REPORT: "NO POPULATION LEVEL IMPACTS TO ANY WILDLIFE SPECIES HAVE BEEN DOCUMENTED." IN FACT, THE ARGONNE NATIONAL LABORATORY FOUND SOMETHING THAT IS RARELY MENTIONED BY THE MAINSTREAM PRESS, WHICH IS THAT OIL FIELD INFRASTRUCTURE CAN HAVE HABITAT ENHANCEMENT VALUE FOR A NUMBER OF IMPORTANT BIRD AND MAMMAL SPECIES, INCLUDING CARIBOU.
- · THE ARGONNE NATIONAL LABORATORY STUDY ALSO FOUND THAT ALASKA NORTH SLOPE OIL BETWEEN 1977 AND 2001, REDUCED THE OVERALL TRADE DEFICIT BY ALMOST 12% -- THIS IS A REDUCTION OF ABOUT A HALF-TRILLION DOLLARS IN THE U.S. FOREIGN OIL BILL. THIS IS MONEY SPENT ON U.S. WORKERS AND U.S. INVESTMENTS, RATHER THAN ON FOREIGN WORKERS AND FOREIGN INVESTMENTS.
- $\cdot$  RESPONSIBLE DEVELOPMENT OF THE COASTAL PLAIN HAS THE POTENTIAL TO CREATE HUNDREDS OF THOUSANDS OF JOBS NATIONWIDE.
- · MORE THAN 50 TANKERS HAVE BEEN BUILT IN U.S. SHIPYARDS FOR THE ALASKA-TO-WEST COAST SHIPMENT OF ALASKA CRUDE OIL. EACH TANKER REQUIRES 1,000 SHIPYARD JOBS. THIS IS 50,000 SHIPYARD JOBS IN SUPPORT OF ALASKA OIL DEVELOPMENT. IT IS ESIMATED THAT 19 NEW TANKERS WOULD HAVE TO BE BUILT TO TRANSPORT OIL PRODUCED FROM THE COASTAL PLAIN. (AMERICAN PETROLEUM INSTITUTE)

· THESE POSITIVE EFFECTS ON JOB CREATION AND THE ECONOMY CANNOT BE UNDERSTATED. ALASKANS SEEK TO CONTINUE TO ENORMOUS CONTRIBUTION TO AMERICA'S JOB BASE THROUGH ENVIRONMENTALLY SENSITIVE DEVELOPMENT OF ANWR'S COASTAL PLAIN.

- · RESPONSIBLE ANWR DEVELOPMENT IS SUPPORTED BY 75% OF ALASKANS. (DITTMAN POLL, 2001)
- THE VILLAGE OF KAKTOVIK, POPULATION 260, IS THE ONLY COMMUNITY WITHIN ANWR, AND A LARGE MAJORITY OF KAKTOVIK'S RESIDENTS SUPPORT DEVELOPMENT.
- · THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, THE NATIONAL ASSOCIATION OF COUNTIES, NATIONAL BLACK CHAMBER OF COMMERCE, NATIONAL CATTLEMEN'S BEEF ASSOCIATION, NATIONAL GRANGE, THE TRANSPORTATION INSTITUTE AND THE U.S. CHAMBER, ARE ONLY A FEW OF THE MANY ORGANIZATIONS THAT JOIN ALASKA IN SUPPORT OF RESPONSIBLE DEVELOPMENT.
- · THE PEOPLE WHO KNOW JOBS-THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS-HAS TAKEN THE LEAD IN SECURING ORGANIZED LABOR'S SUPPORT FOR THIS ISSUE, MUCH TO THE CREDIT OF MR. JERRY HOOD.

GOVERNOR FRANK H. MURKOWSKI IS COMMITTED TO PROVIDING RESPONSIBLE DEVELOPMENT FOR THE PEOPLE OF ALASKA AND FOR THE CITIZENS OF THE UNITED STATES. GOVERNOR MURKOWSKI KNOWS THE IMPORTANCE OF EMPOWERING CONGRESSIONAL LEADERS WITH ACCURATE INFORMATION TO ENABLE THEM TO MAKE INFORMED DECISIONS.

THE PROSPECT OF ARMED CONFLICT IN IRAQ MAKES THE DECISION ON THE FUTURE OF THE COASTAL PLAIN AREA VITALLY IMPORTANT TODAY. WORLD WIDE CRUDE OIL SHORTAGES HAVE SEEN OIL PRICES GO FROM \$18 TO \$37 PER BARREL. GASOLINE PRICES ARE ALREADY OVER \$2.00 A GALLON IN MANY STATES. RISING ENERGY PRICES THREATEN THE AIRLINE INDUSTRY AND ARE STALLING THE NATION'S ECONOMIC RECOVERY.

ALASKA'S STOREHOUSE OF UNDEVELOPED OIL AND GAS RESOURCES WON'T SOLVE THE CURRENT ENERGY CRISIS BECAUSE OF LONG LEAD TIMES. BUT THEY COULD BE VERY EFFECTIVE IN DEALING WITH FUTURE ENERGY SHORTFALLS. THIS IS WHY THIS CONGRESS SHOULD ADOPT S.39 NOW, TO OPEN THE COASTAL PLAIN TO RESPONSIBLE OIL AND GAS LEASING.

THE CASE FOR S.39 IS, ON THE MERITS, COMPELLING.

- · THE STATE OF ALASKA AND ITS CITIZENS SUPPORT DEVELOPMENT;
- THE INUPIAT ESKIMO PEOPLE WHO LIVE ON THE NORTH SLOPE SUPPORT LEASING BECAUSE THEY KNOW FROM EXPERIENCE IT CAN BE DONE WITHOUT HARM TO THE LAND, THE ENVIRONMENT AND FISH AND WILDLIFE;
- · WE HAVE THE TECHNOLOGY AND LAND USE PRACTICES THAT ENABLED US TO DEVELOP ALPINE, A NEW 500 MILLION BARREL OIL FIELD, USING ONLY 90 ACRES OF LAND;
- · THE ABILITY OF THE STATE OF ALASKA, THE NORTH SLOPE BOROUGH AND THE FEDERAL GOVERNMENT TO PROPERLY REGULATE EXPLORATION AND PRODUCTION HAS BEEN DEMOSTRATED FOR OVER 30 YEARS.
- · THE FEDERAL GOVERNMENT NEEDS THE REVENUES THAT BONUS BIDS AND ROYALTIES FROM THE COASTAL PLAIN CAN PROVIDE;
- · THE AMERICAN PEOPLE NEED THE SECURE SUPPLIES OF DOMESTIC OIL THAT ALASKA CAN PROVIDE.

ON BEHALF OF THE STATE OF ALASKA I WANT TO THANK CHAIRMAN POMBO, FOR SCHEDULING THIS MOST IMPORTANT HEARING. I ALSO WANT TO THANK CONGRESSMAN YOUNG FOR INTRODUCING H.R. 39 AND KEEPING THIS ISSUE FRONT AND CENTER. FINALLY I WANT TO THANK PRESIDENT BUSH AND HIS ADMINISTRATION, ESPECIALLY SECRETARY NORTON, FOR HAVING

THE COURAGE AND GOOD JUDEGEMENT TO MAKE THE COASTAL PLAIN A CENTRAL FACTOR IN OUR NATIONAL ENERGY POLICY.

Tara Mac Lean Sweeney

Inupiat Eskimo

Shareholder of the Arctic Slope Regional Corporation

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Barrow, Alaska

Shareholder in Arctic Slope Regional Corporation

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MR. CHAIRMAN, I WOULD APPRECIATE A FEW MINUTES OF THE COMMITTEE'S TIME TO ADDRESS H.R. 39 IN MY SEPARATE AND PERSONAL CAPACITY AS AN ALASKA NATIVE. I AM AN INUPIAT ESKIMO RAISED IN BARROW ON ALASKA'S NORTH SLOPE. I HAVE FRIENDS AND RELATIVES WHO LIVE IN KAKTOVIK, IN THE COASTAL PLAIN.

THE VERY LARGE MAJORITY OF THE INUPIAT PEOPLE SUPPORT OPENING THE COASTAL PLAIN OF ANWR. THEY SUPPORT THIS ACTION BECAUSE THE NATION NEEDS OUR OIL AND NATURAL GAS RESOURCES. THEY ALSO SUPPORT IT BECAUSE THESE ENERGY RESOURCES CAN BE DEVELOPED SAFELY, WITH NO HARM TO OUR HOMELAND, OUR ENVIRONMENT, OUR CARIBOU AND OUR FISH AND WILDLIFE.

WE KNOW THIS BECAUSE MY PEOPLE ARE THE STEWARDS OF THE NORTH SLOPE'S LANDS, WATERS AND WILDLIFE. THIS AREA IS OUR KITCHEN. OUR VILLAGES DEPEND ON OUR WILDLIFE FOR 50 TO 70 PERCENT OF OUR SUBSISTENCE DIET.

THIS SUBSISTENCE DEPENDENCE MEANS THAT THE INUPIAT PEOPLE INSIST ON THE BEST PRACTICES, BEST TECHNOLOGY AND BEST REGULATION IN THE DEVELOPMENT OF NORTH SLOPE ENERGY RESOURCES.

MY PEOPLE HAVE ACHIEVED THIS IMPORTANT OBJECTIVE THROUGH OUR LOCAL GOVERNMENT, THE NORTH SLOPE BOROUGH (NSB). THE BOROUGH HAS JURISDICTION OVER THE PERMITS REQUIRED FOR GEOLOGIC SURVEYS, EXPLORATION AND PRODUCTION.

THE INUPIAT PEOPLE PROVIDED THE INPUT NECESSARY TO ACCOMMODATE DEVELOPMENT AND TO MEET AMERICA'S NEED FOR OIL, WHILE PROTECTING OUR TRADITIONAL SUBSISTENCE LIFESTYLE AND CULTURAL PRACTICES. WE DID NOT ANTE UP OUR LAND WITH NO PROTECTION PROVISIONS FOR CARIBOU AND OTHER WILDLIFE. INSTEAD, WE CREATED A PLANNING AND ZONING DEPARTMENT IN THE NSB TO OVERSEE INDUSTRY PERMITS AND PROVIDE AN OPPORTUNITY FOR OUR AREA EXPERTS-OUR HUNTERS-TO SUBMIT COMMENTS AND CONCERNS.

WE CREATED A FISH AND WILDLIFE DEPARTMENT TO MONITOR WILDLIFE AND MAKE RECOMMENDATIONS ON HOW TO PROTECT OUR SUBSISTENCE RESOURCES.

WE DID NOT GO INTO THE PROSPECT OF OIL DEVELOPMENT LIGHTLY, AND IT IS WITH OUR INVOLVEMENT THAT DEVELOPMENT AND WILDLIFE CAN CO-EXIST TODAY.

DEVELOPMENT FOR THE INUPIAT PEOPLE ON THE NORTH SLOPE MEANS THE PRIVILEGE OF PROVIDING RUNNING WATER AND FLUSH TOILETS; POLICE, FIRE AND SEARCH AND RESCUE PROTECTIONS; LOCAL SCHOOLS FOR OUR CHILDREN; LOCAL HEALTH CARE FACILITIES AND AN OPPORTUNITY TO CHAMPION OUR OWN CAUSES.

AS NATIVE PEOPLE WE DO NOT HAVE A HIREARCHY FOR TRADITIONAL FOOD. THE CARIBOU IS JUST AS IMPORTANT TO OUR SOULS AS THE WHALE. WE CANNOT LIVE WITHOUT BOTH. THAT IS AN IMPORTANT POINT TO REMEMBER WHEN DELIBERATING THIS ISSUE. WE WOULD NOT RECOMMEND DEVELOPMENT IF IT SACRIFICED OUR ACCESS TO CARIBOU.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, THANK YOU FOR YOUR ATTENTION. I SUBMIT MY REMARKS ON BEHALF OF MY PEOPLE FOR THE RECORD.

-END-

SUPPLEMENTAL INFORMATION

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SECTION ONE SUMMARY:

THE STATE OF ALASKA REAFFIRMS ITS SUPPORT FOR RESPONSIBLE DEVELOPMENT OF THE COASTAL PLAIN OF THE ARCTIC NATIONAL WILDLIFE REFUGE, AND URGES CONGRESS TO CONSIDER THE FACTS WHEN ACTING UPON THIS ISSUE.

SECTION TWO SUMMARY:

URGING CONGRESS TO SUPPORT RESPONSIBLE DEVELOPMENT OF THE COASTAL PLAIN OF ANWR. TO RECOGNIZE THE POSITION OF THE INUPIAT ESKIMO'S OF ALASKA'S NORTH SLOPE, AND HAVE THAT POSITION OF SUPPORT FOR RESPONSIBLE DEVELOPMENT GUIDE CONGRESS AS THEY ACT UPON THIS ISSUE.